



The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut

Southwest Workforce Development Area Tables, December 2005

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State of Connecticut

In 1999, P.A. 98-169 established the self-sufficiency standard. P.A. 02-54 was enacted in 2002 requiring the standard to be updated every three years. This report was prepared by the Office of Workforce Competitiveness (OWC) in consultation with the Permanent Commission on the Status of Women. For information, contact OWC at (860) 258-4301.

Permanent Commission on the Status of Women (PCSW)

PCSW was established by the Connecticut General Assembly in 1973. The Commission's mandate is to inform leaders about issues and actions affecting women and girls. For a full report, go to the website at <http://www.cga.ct.gov/PCSW> or call (860) 240-8300.

Executive Summary

The release of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*," presents an update to the 1999 report. In order to assist job seekers, policy makers, local regional workforce investment boards and local service providers, the data in the "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" is calculated for the 23 regions grouped within the five workforce development areas and is available for 70 different family types. The report also includes calculations for nine stand-alone cities so that the significant differences in costs between cities and suburban areas are not lost. The Southwest Workforce Development Area is composed of the city of Bridgeport, city of Stratford, city of Stamford, Naugatuck Valley, Upper and Lower Fairfield. The tables show monthly expenses for selected family types in this area.

The Self-Sufficiency Standard measures how much income is needed for a family of a certain composition in a given place to adequately meet their basic needs—without public or private assistance.

The Self-Sufficiency Standard for Connecticut is a tool that can be used by policy makers, local elected officials, local planning agencies, state agencies, service providers and individual citizens who are seeking jobs or making choices about what education or skills they need to achieve economic security. The calculations and analyses contained in this report gives a picture of the costs of housing, child care, food, and other basic needs so that we can make good decisions about how to build pathways out of poverty for Connecticut families. Based upon the 2004 American Community Survey, in Connecticut there are 899,496 family households, of those, a total of 55,768 or 6.2% had income below the poverty level. Of those 55,768 families, 36,846 (66%) are single parent families with a female head of household. In 2002, 156,500 families claimed an earned income tax credit.

Although the State of Connecticut has the highest per capita income in the country, there are still families who are struggling to make ends meet. Since two-thirds of the single parents living below the poverty level are women, for purposes of this report, we are using as an example a single parent with a preschooler and a school-age child. The key findings of "*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*" show that if families were making ends meet under this self-sufficiency standard, then:

Center for Women's Welfare

Under Dr. Diana Pearce's direction, the Center for Women's Welfare at the University of Washington is devoted to furthering the goal of economic justice for women and their families by researching poverty, public policy and income adequacy. For information, contact the center at (206) 685-5264.

Wider Opportunities for Women (WOW)

WOW works nationally to achieve economic independence and equality of opportunity for women and girls in areas such as nontraditional employment, job training, literacy, welfare to work and workforce development policy. For more information, go to <http://www.WOWonline.org> or call (202) 464-1596. To view other reports on family economic self-sufficiency, go to <http://www.sixstrategies.org>.

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- **Child care costs** throughout Connecticut would be about 30% to 39% of a family's monthly budget.
- **Housing costs** throughout Connecticut would be about 16% to 27% of a family's budget.
- **Health care** expenses throughout Connecticut would be a relatively small budget item, assuming families have access to employer-sponsored health insurance. For example, in the city of Hartford, for a family with one adult, a preschooler and a school-age child, health care costs constitute 8% of the family budget.
- In every region, a single parent with one preschooler and one school-age child needs to earn a minimum of two and one half times Connecticut's 2006 minimum wage of \$7.40 in order to meet the Self-Sufficiency income. For example, in the city of Waterbury, the Report shows that a full-time job at the 2006 Connecticut minimum wage provides only 40% of the amount needed to be self-sufficient. Even with the help of income supports, including the federal Earned Income Tax Credit (EITC), the working parent will receive a net total of \$15,165 per year (after taxes and tax credits), which is roughly one third (31%) of the Self-Sufficiency Standard and about 94% of the Federal Poverty Level of \$16,090.

The costs for family self-sufficiency vary among the cities within the state. For example, for our single parent with a preschooler and a school-age child the costs vary significantly in the city of Windham versus the city of Stamford. In the city of Windham, the family must have monthly earnings of \$3,512 per month (\$42,149 per year) while a family in the city of Stamford must earn \$5,116 per month or \$61,394 per year.

Work Supports

Public and private work supports play a vital role, when used as short-term assistance, in narrowing the gap between actual income and self sufficiency. The Report demonstrates that there are two means for improving a working family's "wage adequacy," – increasing work supports and raising the wage itself. For example, a parent with an infant and preschooler living in the city of Hartford who works full time at minimum wage (\$7.40) without any work supports or tax credits has only 36% "wage adequacy;" that is, their income from this wage only covers 36% of their expenses.

If the wage rises to \$12 per hour, wage adequacy will be 58%; at \$14 per hour, it is 67%. With a full range of available work supports including housing and child care assistance, HUSKY, Food Stamps and WIC, a minimum wage worker is at 95% of wage adequacy, and a worker earning \$14 per hour is at 102% of wage adequacy.

There are a number of successful strategies available to increase earnings and economic self-sufficiency, including but not limited to the provision of education and skill training; improved career guidance; promotion of nontraditional employment for women; micro-enterprise training and development; and sectoral employment interventions to identify high-wage, high-growth jobs and prepare workers to fill them. For example, the impact of education on earnings for women demonstrates that high school completion and post secondary education lead to significantly higher earnings. Women who did not complete high school earned

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\$19,253 per year, on average, while women with a high school diploma or GED earned \$26,146 per year, on average, according to the 2003 Bureau of Labor Statistics Population Survey. An Associate’s degree increased the earnings for women by \$9,508 to \$36,654.

The Self-Sufficiency Standard gives us a great deal of information, but it does not tell the whole story. For example, health care costs for the Standard were calculated assuming access to employer-provided health insurance. If there is no employer-sponsored insurance, health care costs may be even higher than those used in the Standard. In addition, the Standard provides no allowance for family savings or the ability to accumulate assets (e.g. college education or retirement).

Therefore, this update of “*The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut*” makes it clear that challenges remain for a number of Connecticut families struggling to make ends meet. Many cannot afford their housing *and* their child care *and* their food and so must choose between their needs or provide substandard housing or inadequate child care or insufficient food or provide no health care at all. The Self-Sufficiency Standard is a useful tool and a target for policy makers, employers, advocates, and job-seekers as we all work to help low-income families reach economic self-sufficiency. It is our intention to work closely with the Regional Workforce Development Boards, State Agencies, and service providers to use this Report as they counsel customers. It will also be used to inform discussion with regard to the development of workforce policy.

Southwest Workforce Development Area

Region 6. City of Bridgeport	Region 11. Lower Fairfield
Region 7. City of Stratford	Darien
Region 8. City of Stamford	Greenwich
Region 9. Naugatuck Valley	New Canaan
Shelton	Norwalk
Ansonia	Weston
Beacon Falls	Westport
Derby	Wilton
Oxford	
Seymour	
Region 10. Upper Fairfield	
Easton	
Fairfield	
Monroe	
Trumbull	

Connecticut Workforce Development Areas, Self-Sufficiency Regions, Towns and Cities

Northwest Workforce Development Area 1. City of Waterbury 2. Greater Waterbury Bethlehem Thomaston Watertown Woodbury Cheshire Middlebury Naugatuck Prospect Southbury Wolcott 3. City of Danbury 4. Greater Danbury Bethel Brookfield New Fairfield Newtown Redding Ridgefield Sherman Bridgewater New Milford Roxbury Washington 5. Northwest Corner Hartland Barkhamsted Canaan Colebrook Cornwall Goshen Harwinton Kent Litchfield	Morris New Hartford Norfolk North Canaan Salisbury Sharon Torrington Warren Winchester	North Central Workforce Development Area 12. City of Hartford 13. Hartford Suburbs Bloomfield East Hartford Manchester Newington South Windsor West Hartford Wethersfield Windsor 14. North Central Avon Berlin Bristol Burlington Canton East Granby East Hartford East Windsor Enfield Farmington Glastonbury Granby Marlborough New Britain Plainville Rocky Hill Simsbury Southington Suffield Windsor Locks Plymouth Andover	Bolton Ellington Hebron Somers Stafford Tolland Vernon	Woodbridge 18. Lower Connecticut River Chester Deep River Essex Old Saybrook Westbrook	Salem Sprague Stonington Voluntown Waterford
	Southwest Workforce Development Area 6. City of Bridgeport 7. City of Stratford 8. City of Stamford 9. Naugatuck Valley Shelton Ansonia Beacon Falls Derby Oxford Seymour 10. Upper Fairfield Easton Fairfield Monroe Trumbull 11. Lower Fairfield Darien Greenwich New Canaan Norwalk Weston Westport Wilton	South Central Work-force Development Area 15. City of New Haven 16. Upper Connecticut River Cromwell Durham East Haddam East Hampton Haddam Middlefield Middletown Portland 17. Greater New Haven Clinton Killingworth Branford Bethany East Haven Guilford Hamden Madison Meriden Milford North Haven North Branford Orange Wallingford West Haven	Eastern Workforce Development Area 19. City of Windham 20. Greater Windham Colchester Lebanon Columbia Coventry Mansfield Union Willington Ashford Chaplin 21. City of New London 22. Greater New London Bozrah East Lyme Franklin Griswold Groton Ledyard Lisbon Lyme Montville North Stonington Norwich Old Lyme Preston	23. Northeast Corner Brooklyn Canterbury Eastford Hampton Killingly Plainfield Pomfret Putnam Scotland Sterling Thompson Woodstock	

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Monthly Expenses for the City of Bridgeport

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	636	48	745	29	745	16	745	19	636	34	745	25	745	19	745	36
Child Care	0	0	627	24	1941	43	1553	39	0	0	627	21	1254	32	0	0
Food	224	17	396	15	439	10	493	12	440	24	602	21	747	19	790	38
Transportation	60	5	60	2	60	1	60	1	120	6	120	4	120	3	120	6
Health Care	122	9	283	11	282	6	292	7	311	17	328	11	346	9	385	18
Miscellaneous	104	8	211	8	347	8	314	8	151	8	242	8	321	8	204	10
Taxes	180	14	421	11	987	16	814	14	200	11	409	9	616	9	202	-7
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		-180	
Child Care Tax Credit (-)	0		-65		-100		-100		0		-60		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$7.53		\$14.74		\$25.76		\$22.76		\$5.28		\$8.33		\$11.03		\$5.96	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,326		\$2,595		\$4,534		\$4,005		\$1,859		\$2,931		\$3,884		\$2,099	
									combined****		combined****		combined****		combined****	
Annual	\$15,906		\$31,136		\$54,412		\$48,060		\$22,303		\$35,177		\$46,602		\$25,189	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the City of Stratford

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	725	42	848	28	848	17	848	19	725	29	848	23	848	18	848	29
Child Care	0	0	627	21	1941	38	1553	35	0	0	627	17	1254	27	0	0
Food	224	13	396	13	439	9	493	11	440	18	602	17	747	16	790	27
Transportation	245	14	251	8	251	5	251	6	477	19	483	13	483	10	477	16
Health Care	122	7	283	9	282	6	292	7	311	13	328	9	346	7	385	13
Miscellaneous	131	8	240	8	376	7	344	8	195	8	289	8	368	8	250	8
Taxes	284	16	532	13	1187	18	969	16	331	13	590	13	866	13	384	7
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care Tax Credit (-)	0		-60		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$9.83		\$17.24		\$28.73		\$25.47		\$7.04		\$10.33		\$13.20		\$8.43	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,730		\$3,034		\$5,057		\$4,484		\$2,479		\$3,635		\$4,646		\$2,967	
									combined****		combined****		combined****		combined****	
Annual	\$20,757		\$36,409		\$60,685		\$53,803		\$29,745		\$43,619		\$55,748		\$35,608	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the City of Stamford

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	1049	55	1312	38	1312	24	1312	27	1049	44	1312	35	1312	28	1312	43
Child Care	0	0	627	18	1941	35	1553	31	0	0	627	17	1254	26	0	0
Food	224	12	396	11	439	8	493	10	440	18	602	16	747	16	790	26
Transportation	45	2	45	1	45	1	45	1	90	4	90	2	90	2	90	3
Health Care	122	6	283	8	282	5	292	6	311	13	328	9	346	7	385	13
Miscellaneous	144	7	266	8	402	7	369	7	189	8	296	8	375	8	258	8
Taxes	337	18	668	15	1360	20	1142	18	313	13	612	13	907	13	409	8
Earned Income Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care Tax Credit (-)	0		-53		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$10.91		\$19.66		\$31.33		\$28.06		\$6.79		\$10.61		\$13.54		\$8.74	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,920		\$3,461		\$5,513		\$4,939		\$2,391		\$3,734		\$4,765		\$3,077	
									combined****		combined****		combined****		combined****	
Annual	\$23,037		\$41,527		\$66,159		\$59,269		\$28,697		\$44,814		\$57,174		\$36,919	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for the Naugatuck Valley**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	698	41	817	27	817	16	817	18	698	29	817	23	817	18	817	28
Child Care	0	0	627	21	1941	39	1553	35	0	0	627	17	1254	27	0	0
Food	224	13	396	13	439	9	493	11	440	18	602	17	747	16	790	27
Transportation	245	14	251	8	251	5	251	6	477	20	483	13	483	11	477	16
Health Care	122	7	283	9	282	6	292	7	311	13	328	9	346	8	385	13
Miscellaneous	129	8	237	8	373	7	341	8	193	8	286	8	365	8	247	8
Taxes	274	16	519	13	1166	18	956	16	323	13	578	12	853	13	372	7
Earned Income																
Tax Credit (-)	0		0		0		0		0		0		0		-9	
Child Care																
Tax Credit (-)	0		-60		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$9.61		\$16.97		\$28.42		\$25.21		\$6.94		\$10.20		\$13.06		\$8.28	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$1,691		\$2,987		\$5,002		\$4,436		\$2,442		\$3,589		\$4,599		\$2,913	
									combined****		combined****		combined****		combined****	
Annual	\$20,290		\$35,839		\$60,024		\$53,233		\$29,306		\$43,069		\$55,183		\$34,962	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Naugatuck Valley is composed of Shelton, Ansonia, Beacon Falls, Derby, Oxford, and Seymour.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for Upper Fairfield**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teen-ager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	1065	47	1247	34	1247	22	1247	24	1065	36	1247	29	1247	24	1247	35
Child Care	0	0	627	17	1941	34	1553	30	0	0	627	15	1254	24	0	0
Food	224	10	396	11	439	8	493	10	440	15	602	14	747	14	790	22
Transportation	243	11	249	7	249	4	249	5	472	16	478	11	478	9	472	13
Health Care	122	5	283	8	282	5	292	6	311	10	328	8	346	7	385	11
Miscellaneous	165	7	280	8	416	7	383	7	229	8	328	8	407	8	289	8
Taxes	437	19	747	17	1454	21	1236	19	459	15	777	15	1081	15	532	10
Earned Income																
Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care																
Tax Credit (-)	0		-50		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$12.81		\$21.00		\$32.73		\$29.47		\$8.46		\$12.09		\$15.04		\$10.08	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$2,255		\$3,695		\$5,761		\$5,187		\$2,976		\$4,255		\$5,295		\$3,550	
									combined****		combined****		combined****		combined****	
Annual	\$27,059		\$44,343		\$69,130		\$62,240		\$35,717		\$51,064		\$63,538		\$42,597	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Upper Fairfield is composed of Easton, Fairfield, Monroe and Trumbull.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.

Monthly Expenses for Lower Fairfield**

	Adult		Adult & school-age		Adult & infant & preschooler		Adult & infant & school-age		2 Adults		2 Adults & school-age		2 Adults & school-age & school-age		2 Adults & teenager & teenager	
Monthly Costs	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Housing	1199	55	1499	39	1499	26	1499	28	1199	45	1499	37	1499	29	1499	44
Child Care	0	0	627	17	1941	33	1553	29	0	0	627	15	1254	24	0	0
Food	224	10	396	10	439	7	493	9	440	17	602	15	747	15	790	23
Transportation	60	3	60	2	60	1	60	1	120	5	120	3	120	2	120	4
Health Care	122	6	283	7	282	5	292	6	311	12	328	8	346	7	385	11
Miscellaneous	160	7	286	8	422	7	390	7	207	8	318	8	397	8	279	8
Taxes	410	19	781	17	1496	21	1278	19	374	14	711	14	1024	15	493	10
Earned Income																
Tax Credit (-)	0		0		0		0		0		0		0		0	
Child Care																
Tax Credit (-)	0		-50		-100		-100		0		-50		-100		0	
Child Tax Credit (-)	0		-83		-167		-167		0		-83		-167		-167	
Self-Sufficiency Wage																
Hourly***	\$12.35		\$21.58		\$33.37		\$30.10		\$7.53		\$11.57		\$14.55		\$9.66	
									per adult****		per adult****		per adult****		per adult****	
Monthly	\$2,174		\$3,799		\$5,873		\$5,298		\$2,651		\$4,073		\$5,120		\$3,400	
									combined****		combined****		combined****		combined****	
Annual	\$26,090		\$45,587		\$70,470		\$63,581		\$31,808		\$48,873		\$61,441		\$40,802	
									combined****		combined****		combined****		combined****	

The Standard is calculated by adding expenses and taxes and subtracting tax credits. Taxes include federal, state, (including state tax credits) and payroll taxes.

** Lower Fairfield is composed of Darien, Greenwich, New Canaan, Norwalk, Weston, Westport and Wilton.

*** The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

**** The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.